

311-212

Memorandum

To
Henry M. [REDACTED]
Edward Hogan
Richard Phillimore

MasterCard
International



From
Robert E. Norton, Jr. *BE*

Date
December 15, 1998

Subject
Draft Memorandum of Understanding between MasterCard and Visa

Copies to
Colm J. Dobbyn

Attached is a draft Memorandum of Understanding which was sent by Visa. We will review this document at our meeting on Wednesday.

GOVERNMENT
DEPOSITION
EXHIBIT
1534

P-0413

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MCJ2816342



Legal Department
P. O. Box 8899
San Francisco CA 94128-8899

FAX COVER SHEET

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From: **Bennett Katz/Susie Shields**
Company: **Visa**
Phone: **850-432-3794**
Fax: **850-432-4778**

Date: 12/11/98

Please Call Susie Shields
at (850) 432-3794 if fax is
unsuccessful

To: **Bob Norton**
Company:
Phone:
Fax:

Pages to follow: **3**

NO.331 P.1/4

DEC 11 1998 12:26 PM VISA 650 432 4778



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MCJ2816343

MEMORANDUM

TO: Bob Norton
FROM: Bennett Katz
DATE: December 11, 1998
RE: Common Specification for Multi-Function Chip Platform

As I discussed with you, enclosed is a draft Memorandum of Understanding between MasterCard and Visa for the development of a common specification for a multi-function chip platform. I would appreciate your reviewing it and having the management of MasterCard review it to see if we could go forward on this basis. Obviously you need to review it with outside counsel, which we have already done; I am suggesting that before we would agree to it, we would go to the Justice Department and explain what we intend to do.

I will give you a call next week.

cc: Larry Popofsky
Phillip Yen

P.2/4 163.331

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Memorandum of Understanding between MasterCard and Visa on the development of a common specification for multi-function chip platform.

1. MasterCard and Visa management agree to work with SUN Microsystem to develop a specification for a common multiple-function chip platform ("common specification") which will be brand neutral and universally available. The purpose of the common specification is to provide application portability (interoperability) and to standardize the technical aspects of card personalisation, key management, and application loading.
2. The chip platforms will be based on the common specification and will not be the only option available to card issuers. Card issuers will continue to have the freedom to use whatever chip platform they choose.
3. The scope of the proposed specification is limited to a common specification based on Java Card (APIs, libraries, operating system functions, chip requirements) and associated processes (loading, personalisation, key management etc.) It is out of scope to discuss a common electronic purse, and other applications.
4. MasterCard and Visa management agree to appoint a working group to begin the task of defining the common specification. The MasterCard team will be headed jointly by Pete Hill of Mondex and Steve Fellows of MasterCard while the Visa team will be headed by Philip Yen of Visa.
5. The working group is tasked to produce a feasibility report and detailed work plan for management approval within 45 days from project start.
6. The working group is tasked to accommodate current offerings from both MasterCard and Visa, specifically Multos and the Visa Open Platform. MasterCard/Mondex and Visa will jointly own any new intellectual property (IP) created by the working group but each association will continue to own existing IP. Each party will disclose any IP which reads on the common specification and provide royalty free licensing.
7. Both associations agree that the resultant common specifications available to all card issuers who intend to use the technology ("users") and an open, non-discriminatory development process will be put in place to allow all users to have input to the future development of the common specification.
8. Other than acknowledging that both associations are in discussion on this subject, there will be no unilateral public announcements about any details on the working group or its work.

NO. 331 P. 3/4

DEC. 11. 1998 12:26PM VISA 650 432 4778

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9. By agreeing to this work, MasterCard and Visa also acknowledge that both Associations can promote and use this common platform freely and independently.

NO. 331 P. 4/4

DEC. 11. 1998 12:26PM VISA 658 432 4778